




MAPLE LEAF GARDENS, LIMITED

ANNUAL REPORT

31st AUGUST 1969



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MAPLE LEAF GARDENS, LIMITED

**THIRTY-EIGHTH
ANNUAL REPORT**

For the year ended
31st August, 1969



MAPLE LEAF GARDENS, LIMITED

DIRECTORS

Senator J. B. Aird, Q.C.	R. J. Amell	H. E. Ballard
John Bassett	Henry Borden, Q.C.	J. R. Bradfield
C. F. W. Burns	G. R. Gardiner	W. M. Hatch
Sydney Hermant	T. D. Jeffries	I. S. Johnston, Q.C.
R. A. Laidlaw	W. A. H. MacBrien	George E. Mara
A. Bruce Matthews	Paul McNamara	C. Stafford Smythe
	James Stewart	W. O. Twaits

OFFICERS

Maple Leaf Gardens, Limited

John Bassett, Chairman of the Board
George E. Mara, President
I. S. Johnston, Q.C., Secretary
R. E. Giroux, Comptroller
J. T. Carey, Treasurer
H. F. Bolton, Attractions Manager
R. J. Cromwell, Assistant Treasurer

Maple Leaf Hockey Club

C. Stafford Smythe, President
H. E. Ballard, Executive Vice-President
F. M. Clancy, Vice-President
J. M. Gregory, General Manager
D. J. McLellan, Coach

REGISTRARS AND TRANSFER AGENTS
Canada Permanent Trust Company

OFFICES
60 Carlton Street
Toronto 200, Ontario



MAPLE LEAF GARDENS, LIMITED

DIRECTORS' ANNUAL REPORT for the fiscal year ended August 31, 1969

To Our Shareholders:

During the fiscal year ended August 31, 1969, the company's operations resulted in improvements in gross revenue and profits.

The net profit for the fiscal year ended August 31, 1969, was \$987,795 or \$1.34 per share, compared with \$758,919 or \$1.03 per share for the preceding year. This is the largest net profit in the history of the company.

Gross revenue totalled \$6,424,193 compared with \$5,977,168 for the previous year. Most of this increase resulted from raising the price of the hockey tickets at the beginning of the 1968-69 season. In addition, the Maple Leaf Hockey Team won a place in the Stanley Cup play-offs and we had the benefit of two home games in the play-offs which we did not have in the previous year. In general, revenue from miscellaneous attractions was well maintained in 1969. The increase in gross revenue more than offset the increase in operating expenses and this, coupled with the gain on the sale of a portion of one parking lot, accounted for the increase in net income.

We have maintained our objective of keeping the arena in first class condition at all times by spending additional funds on modernization. This programme of modernization is continuing.

There are unresolved matters between the company and the Department of National Revenue which are referred to in Notes 1, 2 and 3 to the financial statements. The matter concerning the sale of National Hockey League Franchise rights is unchanged.

During the year ended August 31, 1969 the company paid regular dividends aggregating \$1.00 per share.

The outlook for the current year is favourable. The number and quality of miscellaneous attractions which have been booked is impressive and, in spite of the opinion of some experts to the contrary, management expects the Maple Leafs to be in the play-offs as usual.

The Directors wish to take this opportunity to thank the officers and employees of the company for their services during the past year.

On behalf of the Directors:

GEORGE E. MARA

President.

Toronto, November 13, 1969



MAPLE LEAF GA

(Incorporated under
and its Subs

CONSOLIDATED

AUGUST

(with comparative figures)

ASSETS

1969

1968

CURRENT:

Cash, including interest bearing deposits	\$1,198,355	\$1,189,252
Deposit with investment dealer, since re-invested in short-term securities	500,000	—
Investment in short term securities	—	100,000
Accounts receivable	107,587	37,469
Prepaid expenses	24,183	28,397
Total Current Assets	<u>1,830,125</u>	<u>1,355,118</u>

OTHER:

Deposit	—	5,363
Special refundable corporation tax	17,756	41,527
Investment in secured notes of a company in receivership, less provision for estimated loss	<u>90,000</u>	<u>90,000</u>
	107,756	136,890

PROPERTY, AT COST:

Buildings and equipment	4,423,213	4,102,835
Less-accumulated depreciation	<u>2,181,011</u>	<u>2,068,736</u>
	2,242,202	2,034,099
Land	<u>1,187,385</u>	<u>1,211,360</u>
	3,429,587	3,245,459

FRANCHISES AND CONTRACTS

<u>100,001</u>	<u>100,001</u>
<u>\$5,467,469</u>	<u>\$4,837,468</u>

(See accompanying notes to

AUDITOR'S

To the Shareholders of
Maple Leaf Gardens, Limited

We have examined the consolidated balance sheet of Maple Leaf Gardens, Limited, and the consolidated statements of income and retained earnings and source and application of funds for the year ended August 31, 1969, and we have tested the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary.

In our opinion, subject to the final determination of the matters referred to in the notes, the financial statements present fairly the financial position of the companies as at August 31, 1969, and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applicable to the circumstances.

Toronto, November 13, 1969.

DENS, LIMITED

(Incorporated under the Laws of Ontario)
Public Company

BALANCE SHEET

1, 1969

as at August 31, 1968)

LIABILITIES

1969

1968

CURRENT:

Bank indebtedness of subsidiary company	\$	\$37,541
Accounts payable and accrued liabilities	299,197	296,120
Income taxes payable	497,302	286,637
	<u>796,499</u>	<u>620,298</u>
Advance ticket sales and subscriptions	1,827,360	1,645,766
Total current liabilities	<u>2,623,859</u>	<u>2,266,064</u>

MORTGAGES PAYABLE (Note 6)

50,634

30,643

SHAREHOLDERS' EQUITY:

Capital stock		
Authorized — 1,000,000 shares without nominal or par value		
Issued — 735,580 shares	36,779	36,779
Retained earnings	2,756,197	2,503,982
	<u>\$2,792,976</u>	<u>\$2,540,761</u>

Approved on behalf of the Board

JOHN BASSETT Director

GEORGE E. MARA Director

\$5,467,469

\$4,837,468

(Consolidated financial statements)

REPORT

limited and its subsidiary company as at August 31, 1969 and the consolidated year then ended. Our examination included a general review of the accounting considered necessary in the circumstances. Notes 1, 2 and 3 to the consolidated financial statements, these financial statements the results of their operations and source and application of their funds for the on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.,
Chartered Accountants.

MAPLE LEAF GARDENS, LIMITED

and its Subsidiary Company

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED AUGUST 31, 1969

(with comparative figures for the year ended August 31, 1968)

INCOME	<u>1969</u>	<u>1968</u>
Gross revenue from operations, including companies' share of receipts from attractions promoted by others	\$6,424,193	\$5,977,168
Income from investments and bank deposits	54,212	82,693
	<u>\$6,478,405</u>	<u>\$6,059,861</u>
Operating expenses before providing for depreciation	4,302,230	4,232,462
Provision for depreciation	199,405	165,480
	<u>\$4,501,635</u>	<u>\$4,397,942</u>
Operating Profit	1,976,770	1,661,919
Income Taxes	1,065,000	903,000
Net income before extraordinary credit	911,770	758,919
Extraordinary credit:—		
Gain on sale of property (note 4)	76,025	
Net Income for the year	<u>\$ 987,795</u>	<u>\$ 758,919</u>

RETAINED EARNINGS

Balance beginning of year	\$2,503,982	\$3,851,183
Net income for the year	987,795	758,919
Gain on sale of marketable securities (note 4)		836,200
	<u>\$3,491,777</u>	<u>\$5,446,302</u>
Dividends paid:		
Regular	735,580	514,906
Special		2,427,414
	<u>735,580</u>	<u>\$2,942,320</u>
Balance, end of year	<u>\$2,756,197</u>	<u>\$2,503,982</u>



(See accompanying notes to consolidated financial statements)

MAPLE LEAF GARDENS, LIMITED

and its Subsidiary Company

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED AUGUST 31, 1969

(with comparative figures for the year ended August 31, 1968)

	<u>1969</u>	<u>1968</u>
<i>Source of funds:</i>		
From operations —		
Net income for the year	\$ 987,795	\$ 758,919
Depreciation of property, a non-cash charge in arriving at net income	199,405	165,480
	<u>\$ 1,187,200</u>	<u>\$ 924,399</u>
Special refundable corporation taxes refunded	23,771	902
Mortgage principal assumed (paid)	19,991	(7,281)
Gain on sale of marketable securities		836,200
	<u>\$ 1,230,962</u>	<u>\$ 1,754,220</u>
<i>Application of funds:</i>		
Dividends paid	735,580	2,942,320
Purchase of fixed assets, net	383,533	436,327
Deposit paid (recovered)	(5,363)	5,363
	<u>\$ 1,113,750</u>	<u>\$ 3,384,010</u>
<i>Net increase (decrease) in working capital</i>	117,212	(1,629,790)
Working capital (deficit) at beginning of year	(910,946)	718,844
<i>Working capital deficit at end of year</i>	<u>\$ (793,734)</u>	<u>\$ (910,946)</u>

(See accompanying notes to consolidated financial statements)



MAPLE LEAF GARDENS, LIMITED

and its Subsidiary Company

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 1969

1. The Department of National Revenue is making a special review of the company's income tax returns for the past several years and in this connection has seized certain of the company's records. The company has made provision for all tax adjustments known at this time.
2. In the event that pending Court proceedings against two directors and former officers indicate that monies are owing to the company, it is the intention of the company to claim reimbursement of such amounts. The company has received assurances and bank guarantees covering such reimbursements. These amounts would be in addition to recoveries of \$257,380 received in the year ended August 31, 1968 in respect of incorrect invoices submitted by a construction company for the fiscal years 1966 and 1967 (\$212,800) and 1968 (\$44,580). The matter of these invoices is referred to in Note 1 of Notes to Consolidated Financial Statements for the year ended August 31, 1968.
3. The Department of National Revenue has indicated that it considers the amount of \$2,160,000 received from the sale of the National Hockey League franchise rights during the year ended August 31, 1967 to be taxable. The company disputes this contention and considers the amount to be a capital gain. This tax matter is still unsettled.
4. The gain on sale of property of \$76,025 has been recorded as an "extraordinary item" in the statement of income, in accordance with the Research Recommendations of the Canadian Institute of Chartered Accountants, effective January 1969. The gain on sale of marketable securities of \$836,200 which arose in the year ended August 31, 1968 was recorded in the statement of retained earnings and has not been restated.
5. Remuneration of directors and senior officers amounted to \$228,023 for the year ended August 31, 1969, and \$240,190 for the year ended August 31, 1968.
6. Mortgages payable consist of the following:

	<u>1969</u>	<u>1968</u>
7 1/2% due in monthly instalments to February 5, 1976	\$22,807	\$30,643
6 1/2% due in monthly instalments of \$188.25 to May 15, 1994	<u>27,827</u>	<u>-</u>
	<u>\$50,634</u>	<u>\$30,643</u>





HOME OF THE TORONTO MAPLE LEAF HOCKEY CLUB